

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 1506 - HB 1511**

March 2, 2009

**SUMMARY OF BILL:** Exempts anyone 21 years of age or older from wearing a motorcycle helmet while riding a motorcycle.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Not Significant**

**Increase Local Expenditures – Not Significant**

**Other Fiscal Impact – Increase Expenditures – Exceeds \$100,000**  
**Crash-related injuries (head injuries) occur which would not have occurred in the absence of the bill to individuals on TennCare or the state or local government health plans; the health plans could experience increased costs.**

**The cost impact above does not assume any increase in ridership. If ridership increases, there may be additional indirect revenue and cost impacts based upon data from other states. Any potential increased ridership may result in additional sales, registration, and licensure of motorcycles, generating additional revenue for state and local government. Any increased ridership may also result in increased accidents and health care costs to public health systems including TennCare and the state and local government health plans. These indirect impacts cannot reasonably be quantified, but due to the high cost of care in traumatic injury cases, it is estimated that any increased health care costs would exceed any additional revenue.**

Assumptions:

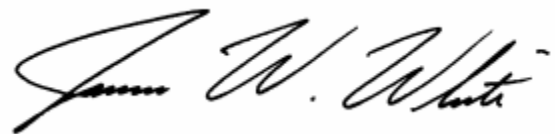
- According to the Department of Revenue, there were 167,108 motorcycles registered as of February 1, 2009.
- Based on Department of Health data, it is estimated that three percent or 5,013 of the 167,108 registrants, are involved in accidents.
- According to the Department of Safety's Tennessee Operation Manual, one out of every five motorcycle accidents results in a head injury. Such would result in 1,003 (5,013 x 20%) head injuries per year.

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- There will be an increase in head injuries as fewer motorcyclists choose to wear helmets. According to reports by the National Highway Traffic Safety Administration (NHTSA), Kentucky experienced a 77 percent increase in head injuries after the repeal of the helmet law. Florida experienced an 80 percent increase in head injuries after the repeal of the helmet law.
- If Tennessee incurred a 77 percent increase in head injuries resulting in a total of 772 ( $1,003 \times 77\%$ ) additional individuals sustaining a head injury.
- According to NHTSA, the average cost for a head injury treatment in Florida was \$45,602 in 2006. It is estimated that there has been a 22 percent ( $\$45,602 \times 22\% = \$10,032$ ) increase in the cost of head injury treatments since 2006 resulting in an average cost for treatment of \$55,634 ( $\$45,602 + \$10,032$ ).
- Based on data from the Bureau of TennCare, it is estimated that one percent of registered motorcyclists are covered by TennCare resulting in 8 ( $772 \times .01$ ) of the additional head injury patients will increase state and federal expenditures by \$445,072 ( $\$55,634 \times 8$ ).
- Of the remaining 764 additional head injuries, there will be estimated treatment costs of \$42,504,376 ( $\$55,634 \times 764$ ).
- According to Vanderbilt University, there is approximately a 28% loss to hospitals for head injury treatments from motorcycle accidents. This would result in \$11,901,225 ( $\$42,504,376 \times 28\%$ ).
- It is estimated that a portion of this amount will be passed on to the TennCare program. While there is no way to determine the exact amount, it is estimated that 25 percent, or \$2,975,306 could become increased expenditures for the TennCare program.
- Most states that repealed the universal helmet law experienced an increase in motorcycle registrations which would result in an increase in revenue.
- Fewer convictions for motorcycle helmet law violations resulting in a not significant decrease in state and local revenues.
- Violations for persons under 21 years of age or older would increase resulting in a not significant increase in local expenditures.

## **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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